

Message Text

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PAGE 01 YAOUND 04771 131717Z
ACTION AF-08

INFO OCT-01 ISO-00 OPIC-03 XMB-02 COME-00 EB-07 TRSE-00
OMB-01 CIAE-00 INR-07 NSAE-00 STR-04 AID-05 /038 W
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R 131616Z DEC 76
FM AMEMBASSY YAOUNDE
TO SECSTATE WASHDC 461
INFO AMCONSUL DOUALA BY POUCH

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DEPT PASS OPIC, EXIM, USDOC

E.O. 11652: N/A
TAGS: EFIN
SUBJECT: GEFCAM, AMINCO,; \$8.03/, ASSO.

REF: STATE 301162, YAOUNDE 4551, YAOUNDE 4355, STATE 249362

1. MEETING WITH OBAM ELLA PRESIDENT, DIRECTOR GENERAL GEFCAM
DEC 10, RESULTED IN FOLLOWING INFO. ACCORDING TO OBAM ELLA,
IN HIS MOST RECENT MEETING WITH DEP DIR GEN ZOLEKO, BCD, ZOLEKO
REFUSED TO GIVE GUARANTEE NEEDED BY GEFCAM TO OBTAIN EQUIPMENT
UNLESS GEFCAM BOUGHT BERLIET TURCKS, ETC., WITH FINANCING BY
COFACE. BCD WOULD NOT REPEAT NOT GIVE GUARANTTEE TO BUY AMERICAN
EQUIPMENT. E/C WILL TRY TO SUBSTANTIATE THIS BUT DOUBT WILL
BE ABLE TO DO SO AS SUCH A THREAT WOULD NOT BE MADE MATTER OF
WRITTEN RECORD.

2. FINANCE MONEY FOR WHICH GUARANTEE IS SOUGHT IS TO BE
PROVIDED BY AMINCO. OBAM ELLA PROVIDED COPIES OF TWO
ALTERNATIVE LOAN GUARANTEE AGREEMENTS TO BE SIGNED BY BCD FOR
AMINCO MONEY. IN ADDITION, PROVIDED COPY OF TELEX FROM AMINCO
DATED NOVEMBER 5, 1976, PROMISING UP TO FIVE MILLION DOLLARS
IN LOAN UP TO FIVE YEARS AT TWO PERCENT FLOATING OVER NEW YORK
CITIBANK PRIME, INTEREST PAYABLE QUARTERLY. TWO LOAN DOCUMENTS
WERE ONLY FOR ONE MILLION, INTEREST RATE SAME, PAID
SEMIANNUALLY. WHEN ASKED HOW GEFCAM HAD CONTACTED AMINCO,
OBAM ELLA STATED THAT LEYLAND HAZELWOOD OF DIMPEX HAD PUT
DJENGUE IN CONTACT WITH HUGHES.

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PAGE 02 YAOUND 04771 131717Z

3. GEFCAM HAS NOW ASKED EMBASSY TO INTERCEDE WITH BIAO IN HOPES OF OBTAINING BIAO GUARANTEE FOR LOAN. E/C ASKED IF GEFCAM HAD ALREADY APPROACHED BIAO AND OBAM ELLA SAID NO BUT THEY WOULD DO SO NEXT WEEK. E/C REQUESTED THAT THEY CONTACT BIAO FIRST AND LET E/C KNOW RESPONSE.

4. CONCERNING GEFCAM PROBLEM, EMBASSY BELIEVES GEFCAM DESPITE PROBLEMS AND WEAKNESSES IS WORTH EFFORT TO TRY AND ASSIST. WHILE NOT ALL MEMBERS OF STERLING CHARACTER, THERE NUMBER WELL CONNECTED GURC OFFICIALS, WHO HAVE VESTED INTEREST SEE PROJECT SUCCEED. ACCORDING TO OBAM ELLA, GEFCAM HAS ESTABLISHED LEGAL STANDING UNDER FRENCH LAW OF 23 SEPTEMBER 1967 CONCERNING THE ESTABLISHMENT OF A QUOTE GROUPEMENT PROFESSIONNEL D' INTERET ECONOMIQUE END QUOTE WHICH OBAM ELLA SAYS HAS LEGAL STANDING IN CAMEROON. E/C HAS BEEN UNABLE TO SUBSTANTIATE THIS SO FAR BUT WILL TRY NEXT WEEK. IN ANY EVENT, WOULD NEED GOOD LAWYER TO SORT OUT LEGAL SITUATION. SECONDLY, LOCAL WOOD PRODUCERS RIPPED OFF IN EVERY WAY BY EXPATRIATE PROCESSORS AND GEFCAM SEEKING AMERICAN CONNECTION NOT ONLY FOR EXPLOITATION OF RESOURCES BUT ALSO FOR PROCESSING AND ESTABLISHMENT OF EQUIPMENT SUPPLY AND MAINTENANCE SYSTEM. WITH LUCK AND HARD WORK, GEFCAM AND OTHER INDEPENDENTS WHICH HAVE CONTACTED EMBASSY FROM TIME TO TIME MAY PROVIDE ENTRY FOR US FIRM(S) WILLING TO COME INTO CAMEROON. THERE IS LARGE MARKET FOR EQUIPMENT AND TIMBER RESERVES SHOULD BE GOOD INCENTIVE FOR INVESTMENT.

5. CONCERNING AMINCO, E/C IN CONTACT WITH SEC GEN MIN FIN TO TRY AND DETERMINE EXACTLY WHAT IS GOING ON. HOPEFULLY WILL GET INFO NEXT WEEK.

6. REQUEST OPIC CONTACT HAZELWOOD RE AMINCO AND TRY TO FIND OUT NATURE OF RELATIONSHIP AND WHY HE SENT GEFCAM TO THEM. EMBASSY HAS NO DESIRE TO INTERFERE IN LEGITIMATE ACTIVITIES US PROMOTERS, BUT SPAN OF AMINCO ACTIVITIES HERE, GIVEN NATURE OF THEIR BACKGROUND, INDICATES ALMOST UNLIMITED POTENTIAL FOR PROBLEMS. BELIEVE MORE APPROPRIATE CONTACT WOULD BE GEORGE LAMB, ENTERPRISES INTERNATIONAL, HAOQUIM, WASHINGTON, WHO, IN SPITE UNHAPPY EXPERIENCE GEFCAM MEMBER GILBERT LONGUE, STILL UNDERSTOOD BE INTERESTED ASSISTING VIABLE CAMEROONIAN TIMBER COMPANY. SUGGEST HE BE ENCOURAGED SEND QUALIFIED REP FROM EITHER LIMITED OFFICIAL USE

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PAGE 03 YAOUND 04771 131717Z

NORMAN SPRINGATE ASSOCIATED OR HIS EUROPEAN OFFICE INVESTIGATE LEGAL AND ECONOMIC POTENTIAL.
SPIRO

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Message Attributes

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Disposition Authority: buchant0
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Margaret P. Grafeld
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